

**House File 2016 - Introduced**

HOUSE FILE 2016

BY JONES

**A BILL FOR**

1 An Act relating to the military service property tax exemption  
2 and credit and including applicability provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 426A.11, subsection 1, Code 2022, is  
2 amended by striking the subsection.

3 Sec. 2. Section 426A.11, subsection 2, Code 2022, is amended  
4 to read as follows:

5 2. The property, not to exceed ~~one thousand eight hundred~~  
6 ~~fifty-two~~ ten thousand three hundred ninety dollars in taxable  
7 value, of an honorably separated, retired, furloughed to a  
8 reserve, placed on inactive status, or discharged veteran, as  
9 defined in [section 35.1, subsection 2](#), paragraph "a" or "b".

10 Sec. 3. APPLICABILITY. This division of this Act applies  
11 to property taxes due and payable in fiscal years beginning on  
12 or after July 1, 2022.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with  
15 the explanation's substance by the members of the general assembly.

16 This bill relates to the military service property tax  
17 exemption and credit.

18 Under current law, veterans of World War I are entitled to a  
19 property tax exemption of \$2,778 in taxable value and honorably  
20 discharged veterans who served during other specific time  
21 periods are entitled to a property tax exemption of \$1,852 in  
22 taxable value. The bill increases the exemption amount for all  
23 eligible veterans to \$10,390.

24 Under current law, the state provides funding to local  
25 governments for the military service property tax exemption  
26 and credit up to \$6.92 per \$1,000 of assessed value of the  
27 exempt property. Code section 25B.7 provides that if a  
28 state appropriation made to fund a credit or exemption is not  
29 sufficient to fully fund the credit or exemption, the political  
30 subdivision shall be required to extend to the taxpayer only  
31 that portion of the credit or exemption estimated by the  
32 department of revenue to be funded by the state appropriation.  
33 The requirement for fully funding and the consequences of not  
34 fully funding under Code section 25B.7 apply to the military  
35 service property tax credit and exemption to the extent of

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1 \$6.92 per \$1,000 of assessed value of the exempt property.

2 The bill applies to property taxes due and payable in fiscal

3 years beginning on or after July 1, 2022.